



iSelect

Market Eye

Investor Conference

INVESTOR BRIEFING | 6 NOVEMBER 2019

Henriette Rothschild Chief Operating Officer

A few words about iSelect...

Our vision is simple:

“...to make Australians' lives easier by saving them time, effort and money...”



- Each year we help 4 million+ Australians to compare:
 - insurances, utilities and financial services.
- Significant customer database from 19 years in business
- More than a comparison website, we are an Australia **comparison service**
 - Many of our customers choose to speak with one of our 300+ trained consultants.
 - We work to save our customers hassle by taking care of the whole administrative process, from initial comparison through to completing the purchase.



FY19 Update

FY19 Headlines

\$15.2m

EBIT (Underlying)
+77% YOY

3.96m

LEADS
-6% YOY

14%

X-SERVE % of
REVENUE
+0.6pp YOY

3.36x

MARKETING ROI
+27% YOY

381k

SALES
-18% YOY

36%

GROSS PROFIT
MARGIN
+7.6pp YOY

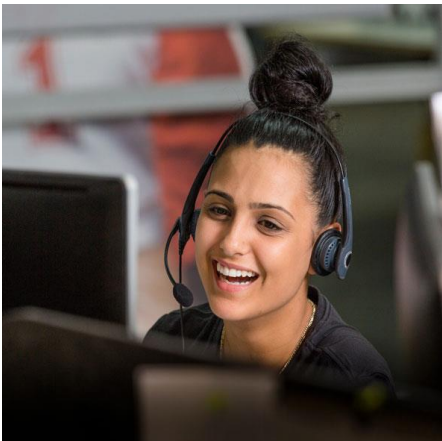
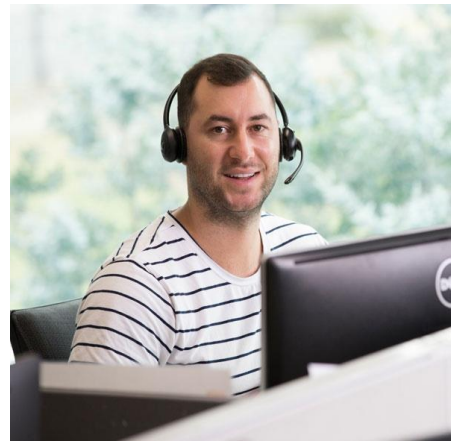
10%

EBIT MARGIN
+5.3pp YOY

FY19 in Review

A Year of Substantial Turnaround

- Primary focus on **sustainable profitable growth**. EBIT growth of 77%
- Significant improvement in **marketing ROI**. Remains an ongoing focus in FY20 and beyond
- Improved **core business performance** in an environment of significant regulatory change:
 - Private Health Insurance, Energy regulatory changes, Life Insurance reforms
- Operating model review completed in FY19
- Continued **investment in technology** and **customer experience** helping customers save time, effort and money.
- **iMoney** performance was strong with top line growth of 39% YOY





Changes to our operating model

Ensuring a fit for purpose operating model was a key priority in FY19:

NEW HOME LOANS MODEL

- AFG Partnership, Joint Operation from April 2019
- iSelect retains customer facing digital shopfront
- Mortgage team transitioned to AFG

FOCUS ON CORE

- Exit of Kiosks, InfoChoice, Nest and Legacy Fixed Assets

ONSHORING ROLES

- Cape Town exit, 130+ roles onshored
- Positive customer feedback to local contact centre
- Commitment to local employment, 550 staff in Cheltenham head office

GENERAL INSURANCE DIGITAL ECOSYSTEM

- Build on digital only model: growth in Pet and Travel Insurance
- SME Insurance launched July 2019

Outlook

A photograph showing a group of people in a business meeting. They are gathered around a table with various documents, including charts and graphs. One person is pointing at a document with a pen, while others have their hands clasped or are holding pens. The scene is brightly lit, suggesting an office environment.

Looking ahead Comparison trends

The demand for comparison is on the rise

STRENGTH

- Australian Market 9m+ households ¹
- Across markets, consumers' use of comparison services is increasing
- Combining online, data driven and people powered capability to meet customer needs on their terms

OPPORTUNITY

- Growth in comparison market is greater than underlying market growth
- Partnerships and affiliates to drive new customer introductions and growth
- Technology innovation to transform the customer experience

FY20 Update

CORE BUSINESS

- Significant and strategic investments in our **Brand and Technology**
- **Energy Regulatory change** (1 July 2019) impacting FY20 H1 profitability. Performance expected to normalise in H2 as market adjusts to the new environment

STRATEGIC

- **iMoney:**
 - We have now formally advised the market that we intend to sell our stake in the iMoney business
- **IHA Group:**
 - As iSelect's largest shareholder, we maintain a regular dialogue. In terms of M&A, nothing formal tabled by either party

Product and Technology investment

Update



FOUNDATIONAL WORK ALREADY COMPLETED IN H1 FY20

- Salesforce Lightning
- Genesys engagement platform implemented



CURRENT 'IN-FLIGHT' INITIATIVES - H1

- Launch of Customer Account, enabling move from transactions to ongoing deeper customer relationships
- Rollout of Marketing Automation: an important enabler for improved automation of journeys and personalised communication for customers
- Introduction of lead handling service for B2B relationships



LOOKING FURTHER AHEAD

- Customer Account and single customer view enables:
 - Improved, simplified web experience
 - improved user-based recommendations
 - future management of bills and household expenses
 - better prediction of customers' needs and ability to offer personalised services in the future

FY20 Outlook

- Anticipate a small EBIT loss in H1 due to investment and regulatory changes mentioned above
- Expect a stronger H2 (v H2 FY19) as we begin to realise the benefits of investments and as the market adjusts to the Energy changes.
- FY19 trend of increase in trail revenue impacting working capital continues into FY20, impacting cash in the short term. This will normalise into FY21.
- Commitment to our strategy. As we return to historic profitability in future years, we will do so on a stable and scalable base that is focused on meeting increasing customer demands and expectations

Questions

Henriette Rothschild, Chief Operating
Officer